

[Click here to view Jan's Press Release on the FY07 Budget](#)

[Click here to view the impact of the Republican Budget on education programs](#)

Each year, the President submits a proposed budget to Congress. It is a suggested plan for how our nation will spend its resources in the following fiscal year. The Congress must then come up with a budget document of its own and an agreement between the House, Senate, and White House results in a budget blueprint to guide federal spending (the appropriations process) for the next fiscal year. With the Republican Majority in control of Congress, federal spending has closely mirrored the President's requests over the last several years.

Budget's are not just about numbers, they are moral documents reflecting the priorities our nation chooses to fund and those that cut to make room for other items. I have consistently supported efforts to provide adequate funding for our critical priorities like health care, education, national security and housing. I oppose unwise spending decisions that jeopardize our nation's future. Unfortunately, I have been forced to oppose every budget put forth by the House Republican Leadership since President Bush took office. Those budgets have irresponsibly put tax cuts for wealthy Americans ahead of the needs of working families.

As the Fiscal Year 2007 Budget and Appropriations Process moves forward, I will continue to do all I can to work for a reasonable budget that pays for our nation's top priorities first. I oppose the President's proposed Fiscal Year 2007 Budget and the House Republicans' Budget Resolution because they shortchange critical domestic programs to make room for unnecessary items like additional tax cuts that benefit only the wealthiest Americans.

The House is considering H.Con.Res. 376, the House Republicans' Budget Resolution. The GOP budget generally follows the President's budget. See the chart below for a side-by-side comparison of the GOP Budget vs. the Democratic Budget proposal: (insert side-by-side)

### **THE GOP BUDGET VS. DEMOCRATIC BUDGETS:**

### **A QUESTION OF PRIORITIES**

House      GOP Budget

House      Democratic Budget

Is fiscally      responsible.

NO.      The GOP budget calls for deficits for as far as the eye can see, never

YES.      The deficit is lower than in the GOP budget over the next 5 years,

Makes America safer      here at home.

NO.      Cuts homeland security by almost \$500 this year and \$6.1 billion over

YES.      Provides \$6.5 billion more over the next      five years for homeland

Adequately funds      veterans' programs.

NO.      Cuts funding for veterans' health care by \$6 billion over the next 5

**YES.**

Provides \$6 billion more over the next five years for veterans' health

**Targets tax cuts to**

**the middle class.**

**NO.**

Follows the President's budget, which provides \$2.5 trillion in tax

**YES.**

Provides \$150 billion for middle-class tax relief including child

**Addresses problems**

**with the Prescription Drug benefit.**

**NO.**

Does nothing to address the serious problems in the confusing and co

**YES.**

Uses PPO slush fund and savings from negotiating drug price

**Provides funding for**

**key discretionary health care initiatives.**

**NO.**

Identical to the Bush budget, which slashes rural health activities,

**YES.**

Provides \$18 billion more over the next five years for discretionary

**Makes college more affordable.**

<b>NO.</b>	Identical to the Bush budget, which freezes Pell Grants for college and
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<b>YES.</b>	Rejects the GOP cuts in higher education programs. Also lowers t
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**Expands educational opportunity.**

<b>NO.</b>	Identical to the Bush budget, which underfunds No Child Left Behind
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<b>YES.</b>	Provides \$4.6 billion more in 2007 and \$45.3 billion more over the
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**Provides funding for key environmental protection initiatives.**

<b>NO.</b>	Similar to the Bush budget, which slashes Clean Water funds by 22 p
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<b>YES.</b>	Provides \$2.9 billion more in 2007 and \$25 billion more over the ne
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Office of House Democratic Leader Nancy Pelosi, April 6, 2006

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**THE PRESIDENT'S BUDGET AND Illinois:**

**MORE OF THE SAME MISPLACED PRIORITIES  
PUTTING SPECIAL INTERESTS AHEAD OF Illinois' FAMILIES**

Democrats believe that we must pursue new policies that take our country in a different direction. The Bush Administration's FY 2007 budget fails on that score; it continues with more of the same wrong priorities that have taken our country in the wrong direction. It put special interests first and the American people - Illinois' families - last. It is **fiscally reckless**, adding trillions to the deficit over the next 10 years, and **morally irresponsible**

, slashing funding for key priorities critical to America's middle class. Democrats are fighting to restore fiscal responsibility and to bring real solutions to the American people, along with economic prosperity, a strong national defense, affordable health care and energy, and strong public schools.

**With An Economy Not Delivering for Illinois Families, Cuts Job Training and Employment Assistance.** Since President Bush took office, 158,800 manufacturing jobs have been lost in Illinois, with 355,869 people currently looking for a job. [BLS, 1/06] Family income has dropped by \$5,272 since 2000, while health care and energy prices are climbing. [CPS, 8/05] And yet the President's budget eliminates \$169,615,000 in funding for job training and employment services in Illinois. [FFIS, 2/06] And the President's new block grant is unlikely to make up for this loss of funding. The President's budget also eliminates \$45,127,000 in vocational education funding in Illinois, which has played a critical role in preparing students at high schools and community colleges for today's job market. [FFIS, 2/06]

**Budget Is Fiscally Irresponsible, Creating Trillions Of Dollars In New Deficits That Threaten Our Economy and Jeopardize The Future Of Illinois' Children.** The national debt has increased to \$8 trillion, increasing our borrowing from foreign countries. The President's budget squanders trillions of dollars on permanent tax cuts for the wealthy - giving Illinois' wealthiest one percent \$15,749 in tax breaks in 2010, while middle-income families would get \$59. [CTJ, 11/18/05]

**Working Families in Illinois Struggling Under Rising Health Care Costs.** There are 1,764,000 people without health insurance in Illinois, a 60,000 increase since 2000. [CPS, 10/05] The cost of health insurance has increased by \$1,247 - a 76 percent increase. [KFF 2005; MEPS 2005] But the Republican budget eliminates \$99 million in preventive and community health funding nationwide. In addition, the Bush budget cuts Medicare by \$36 billion over the next five years, resulting in \$939,167,444 in cuts to hospitals, nursing homes, and home health providers serving seniors and people with disabilities in Illinois. [The Health Economics and Outcomes Research Institute at Greater New York Hospital Association, 2/06]

**Illinois Families Get No Relief From Rising Home Heating and Gas Prices, as Oil Companies Reap \$7 Billion In Royalties Under President's Budget.** Home heating costs are expected to increase by 102 percent in Illinois' region of the country, and gas prices have increased by 82 cents in Illinois since January 2001, an increase of approximately 56% percent. [EIA, 2/06 and 1/01; AAA Fuel Gauge Report, 2/06] The President's budget includes only a \$130 million increase to renewable energy programs to end our addiction to foreign oil, while protecting billions in giveaways to the oil companies. And the President's budget is \$2.3 billion short on low-income home energy assistance (LIHEAP) promised in the new energy law, and slashes help to working Americans to reduce their energy bills.

**Does Not Do Enough to Protect America Here At Home.** The President's budget slashes first responder funding in the Homeland Security Department by 25 percent below this year's level, including completely eliminating the \$385 million Local Law Enforcement Terrorism Prevention Program. Last year, Illinois received \$12,835,959 for this critical initiative. [Department of Homeland Security, 2005] The budget also slashes funding for the COPS program by 79 percent. In addition, the budget provides no new funds for the CDC Bioterrorism program.

**Fails to Honor Promises to Illinois' Veterans and Troops.** 10,510 brave men and women from Illinois are currently serving their country in Afghanistan and Iraq. [DOD Legal Residence/ Home of Record for Service Members Deployed, 1/06] The President's budget funds the National Guard at well below authorized levels, even though our troops are already strained. And Republicans have failed to provide our forces with the equipment and

resources to get the job done and return home safely. Last year, Republicans shut 8,944 in Illinois out of the VA health care system. [VA Department] The President's budget imposes new health care fees on one million veterans and increases TRICARE health premiums for many of the nation's military retirees under 65. It also fails to end the Disabled Veterans Tax to provide promised benefits for 5,332 military retirees in Illinois. [House Government Reform Committee, 6/05]

**Revives Attack on Social Security - Cuts Benefits to Widows, Orphans and Children and Revives Privatization Plan.** Social Security is the nation's most successful family program - currently there are 1,879,051 people in Illinois receiving monthly benefits. [SSA, 10/05] The President's budget eliminates the death benefit Social Security provides to 800,000 surviving spouses and children of workers who die each year. [House Ways and Means Committee, Democratic Staff; 2/06] The budget also includes Social Security privatization which would slash Social Security retirement benefits for all workers.

**Betrays Illinois' Children and Young Adults.** Over the past five years, Republicans have underfunded the No Child Left Behind Act by \$55 billion nationwide. Under the President's budget 127,159 children in Illinois will go without promised help in reading and math. [Senate Appropriations Committee, Democratic Staff, 2/06] It provides \$283,415,188 less for children with disabilities in Illinois than promised. [Senate Appropriations Committee, Democratic Staff, 2/06] Head Start is a vital program for 39,672 children in Illinois and yet the President's budget underfunds it once again, freezing it at this year's level. [Administration for Children and Families, 2/05]

**Cuts Funding for Illinois' Small Businesses.** Small businesses employ nearly half of all workers and create three out of four new jobs, but the President's budget cuts Small Business Administration (SBA) funding for the sixth year in a row. The budget increases fees for every SBA lending program and continues the elimination of appropriations for 7(a) loans, jeopardizing the Illinois' economy. In 2004 alone, Illinois small businesses received \$343,613,000 in 7(a) small business loans. [SBA] The President's budget cuts the Manufacturing Extension Program (MEP) to help small manufacturers by 58% nationwide and eliminates the Advanced Technology Program entirely.

**Cuts Funding For Illinois' Environmental Programs, Including the Clean Water**

**Program.** For the sixth year in a row, the Bush budget proposes significantly cutting funding for programs that protect public health and the environment. It slashes funding for the states' Clean Water revolving loan funds, which help improve wastewater treatment, by \$9,176,000 in Illinois. [FFIS, 2/06]

**The President's budget also cuts \$1.7 million from the nation's funding for environmental justice programs that protect the health of low-income and minority communities from environmental toxins.**

**Cuts Funding For Vital Community Revitalization.** The budget eliminates \$29,668,000 in funding from Illinois' Community Services Block Grant, which works to lessen poverty in communities, and cuts \$21,634,000 in funding from the Social Services Block Grant, which provides people in Illinois with

social services directed toward achieving economic self-sufficiency

[FFIS, 2/06]

The budget slashes \$35,368,000 in Community Development Block Grant funding in Illinois

, which provides critically-important funding for affordable housing, employment counseling, and transitional assistance. [FFIS, 2/06]

**Democrats Have A Better Way For Illinois Families.** Democrats are seeking a new direction for America in which the interests of working families take priority over special interests. That kind of honest leadership is needed to bring real solutions to the American people, along with economic prosperity, a strong national defense, health care that works for everyone, fiscal responsibility, and strong public schools. Democrats insist upon fiscal discipline with budgets that pay as you go, and over the coming months, we will fight for a budget that reflects the values of Illinois and America's middle class. Together, America can do better than out-of-control deficits and misplaced priorities.

Office of the House Democratic Leader Nancy Pelosi, February 17, 2006



### Information on the Budget

- ▢ [President's Proposed FY07 Budget](#)
- ▢ [A Tradition Calendar of House Budget Activities](#)
- ▢ [Democratic Reports on the Impact of the Budget](#)
- ▢ [Congressional Budget Resolution put forth by Republican Leadership](#)
- ▢ [Summary and Analysis of the President's Proposed FY07 Budget](#)
- ▢ [Impact of President's Proposed Budget on Illinois](#)
- ▢ [Impact of President's Proposed Budget on the United States](#)
- ▢ [Budget Briefs Created by the National Priorities Project](#)

### THE REPUBLICAN BUDGET:

### FISCALLY RECKLESS AND A FAILURE OF LEADERSHIP

### FACT SHEETS

[Human Needs](#)

[Education](#)

[Homeland Security](#)

[Women](#)

[African Americans](#)

[Asian Americans](#)

[Hispanic Americans](#)